

Hand Delivered

January 24, 2002

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Comments of KeySpan Energy Delivery New England on the Department's
Investigation Regarding Increasing the Penetration Rate for Discounted Electric,
Gas and Telephone Service
D.T.E. 01-106

Dear Ms. Cottrell:

Boston Gas Company, Colonial Gas Company, and Essex Gas Company each d/b/a KeySpan Energy Delivery New England (collectively, "KeySpan"), are pleased to submit the following comments in response to the Department of Telecommunications and Energy ("Department") Order, dated December 17, 2001, opening a Notice of Inquiry to investigate increasing the penetration rate for discounted electric, gas and telephone service.

KeySpan feels that its outreach efforts to reach and enroll eligible customers on KeySpan's discount rate have proven successful. As will be further discussed in these comments, KeySpan works very closely with the Department of Transitional Assistance ("DTA") and the Low-Income Home Energy Assistance Program ("LIHEAP") to reach out to enroll all eligible customers on the discount rate. To the extent that the Department seeks to increase the penetration rate for discount programs, KeySpan feels that this could be best accomplished through electronic access to all public benefit programs.

Background

Under M.G.L. c. 164, Section 1(F)(4)(I), electric distribution companies are required to provide discount rates for low-income customers. Eligibility for the discount rate is set forth in the statute.¹ Furthermore, under 220 C.M.R 14.03 (2)(A), all local distribution companies (gas and electric) are required to have on file with the Department a low-income tariff that provides a reduction in the distribution charges to which such customers would otherwise be subject². In this proceeding, the Department seeks to (1) minimize barriers in determining subscriber eligibility and (2) ensure that eligible customers are enrolled in available discount programs. See Department's Order at Page 1.

In soliciting comments on increasing the penetration rate of the discount rate, the Department has specifically requested comments on the following questions:

- (1) Describe outreach efforts to identify the eligible discount customer.
- (2) Describe current procedures used for subscriber eligibility verification and enrollment.
- (3) Discuss whether current subscriber eligibility standards would permit utilities to enroll each other's customers in discount programs.
- (4) Discuss strategies for addressing varying income requirements of public benefit programs.
- (5) Discuss whether utilities could implement a computer program to verify subscriber eligibility and enroll eligible customers in discount programs.
- (6) Discuss whether any legal impediments exist to enrolling eligible customers in all available discount programs.
- (7) Discuss privacy concerns related to electronic sharing of financial or other confidential information.

¹ "Eligibility for the discount rates established herein shall be established upon verification of a low-income customer's receipt of any means-tested public benefit program or verification of eligibility for the low-income home energy assistance program, or its successor program, for which eligibility does not exceed 175 per cent of the federal poverty level based on a household's gross income. Said public benefits may include, but are not limited to, assistance which provides cash, housing, food, or medical care, including, but not limited to, transitional assistance for needy families, supplemental security income, emergency assistance to elders, disable, and children, food stamps, public housing, federally subsidized or state-subsidized housing, the low-income home energy assistance program, veterans' benefits, and similar benefits." M.G.L. c. 164, Section 1(F)(4)(I).

² 220 C.M.R. 14.03(2A)(b) states that each Distribution Company shall establish eligibility criteria for its low-income rate tariff based upon verification of a Customer's receipt of any means-tested public benefit program or verification of eligibility for the low-income home energy assistance program or its successor program for which eligibility does not exceed 175% of the federal poverty level based on a household's gross income or other criteria approved by the Department.

KeySpan addresses each of these below.

Discussion

- (1) Describe outreach efforts to identify the eligible discount customer.

KeySpan has performed extensive outreach efforts to enroll eligible residential customers in its discounted rate. KeySpan works very closely with the various means-tested public benefit programs to enroll eligible customers. KeySpan has set up a program with the DTA and an independent mailing firm. Bi-monthly, the DTA sends a list of all new welfare recipients in KeySpan's service territory to the mailing firm, which then sends a letter to these recipients on DTA letterhead informing them that they are entitled to the discount rate with KeySpan. The customer simply needs to fill out an attached form and send it to KeySpan in a pre-addressed envelope provided by KeySpan. Upon receipt of the form, KeySpan places the customer on the discount rate. This process ensures that new recipients are informed about the discount rate while protecting their privacy rights. In addition, KeySpan on a monthly basis sends the DTA an excel spreadsheet listing all customers who have requested to be put on KeySpan's discount rate for verification that these customers receive welfare benefits.

Finally, KeySpan annually sends the DTA a complete list of all the customers who are on the discount rate by virtue of their being on welfare to verify that they are still receiving assistance. KeySpan decertifies those customers who no longer receive welfare benefits.

The most common way that our customers are placed on KeySpan's discount rate is through a matching program that KeySpan has with the LIHEAP. There are sixteen LIHEAP offices within KeySpan's service territories. Customers can begin applying for fuel assistance through these local offices beginning on November 1 of each year. In November of each year, KeySpan mails to its residential customers a brochure describing fuel assistance. The brochure describes the qualification for fuel assistance and lists the address and telephone numbers for all 16 local offices. Further, it informs customers that, if they qualify for fuel assistance, they will be automatically placed on KeySpan's discount rate. In addition, KeySpan periodically sends all customers a bill stuffer describing the various payment assistance program available to low-income customers that notifies customers of the availability of the discount rate. Once a customer is approved for fuel assistance, KeySpan is notified electronically by LIHEAP, and KeySpan automatically enrolls that customer on the discount rate.

In addition, if customers notify KeySpan that they receive Mass Health or any other qualified means-tested public benefit program, then KeySpan will place the customer on the discount rate. The customer simply needs to send KeySpan verification that they are on such program.

In addition, KeySpan trains its call center and billing employees to make sure they understand all the programs a customer could use to participate in the discount rate.

- (2) Describe current procedures used for subscriber eligibility verification and enrollment.

As discussed above, KeySpan verifies subscriber eligibility directly with the various means-tested public agencies. Once KeySpan verifies that a customer has qualified for any of the means-tested public benefit programs, then KeySpan will place the customer on the discount rate.

- (3) Discuss whether current subscriber eligibility standards would permit utilities to enroll each other's customers in discount programs.

As stated above, KeySpan simply verifies whether a customer has been qualified by a means-tested public benefit program in order to qualify them for the discount rate. To the extent that other utilities use the same criteria, KeySpan could enroll other utilities' qualified customers in its discount rate. However, as will be further discussed below, KeySpan is concerned about its customers' privacy rights and would not share its own customers' information with other utilities without customer consent.

- (4) Discuss strategies for addressing varying income requirements of public benefit Programs.

As long as a customer qualifies for one of the various public benefit programs set forth above, KeySpan will place the customer on the discount rate.

- (5) Discuss whether utilities could implement a computer program to verify subscriber eligibility and enroll eligible customers in discount programs.

If other utilities' eligibility requirements are the same as KeySpan's, then it may be possible to verify subscriber eligibility and enroll eligible customers from other utilities in KeySpan's discount rate. However, KeySpan would have privacy concerns in sharing customer information with other utilities without a customer's permission. KeySpan believes that any computer-matching program that may arise from this proceeding should be directly with the DTA or other public agencies rather than among the utility companies. It would be much less onerous on the utility companies to set up a matching program with the DTA than it would be for all the utilities to set up a computer-matching programs with one another. It would seem to be wasteful and duplicative for all the utilities to have computer matching with one another. It would be much more efficient for each utility to have matching programs directly with the public agencies that qualify individuals for public assistance. Furthermore, KeySpan already works very closely with the DTA and LIHEAP and therefore it would be much easier to further develop this relationship than to try and set up matching programs with all the other utilities.

- (6) Discuss whether any legal impediments exist to enrolling eligible customers in all available discount programs.

KeySpan is not aware of any legal impediments to enrolling eligible customers in all available discount programs.

- (7) Discuss privacy concerns related to electronic sharing of financial or other confidential information.

KeySpan considers its customers' financial information to be confidential and proprietary to that customer and will not disclose that information to third parties without customer consent.

Conclusion

KeySpan appreciates the opportunity to submit these comments regarding the penetration rate for discounted electric, gas and telephone service. KeySpan supports the Department's efforts to increase the penetration rate for eligibility customers in discount programs. KeySpan believes this can be best accomplished by continuing its positive relationships with the DTA and LIHEAP and by enhancing its computer-matching programs with these agencies.

Very truly yours,

Christopher S. Aronson, Counsel
Richard A. Visconti, General Counsel

CSA/dmo

g/leg/reg/discount rate comment 012402/doc

cc: Michael Killion, Hearing Officer
George Yiankos, Director of Gas Division